L Number	Hits	Search Text	DB	Time stamp
-	1554	(705/35,36,38).CCLS.	USPAT; US-PGPUB	2003/04/16 10:42
-	17372	705/$.ccls.	USPAT; US-PGPUB	2003/04/16 09:14
-	32821	inflation	USPAT; US-PGPUB	2003/04/16 10:39
-	674440	protect or protection or protecting or guarding or guard or guarded	USPAT; US-PGPUB	2003/04/16 09:16
-	2988	inflation same (protect or protection or protecting or guarding or guard or guarded)	USPAT; US-PGPUB	2003/04/16 09:17
-	1602	inflation with (protect or protection or protecting or guarding or guard or guarded)	USPAT; US-PGPUB	2003/04/16 09:17
-	15	(inflation with (protect or protection or protecting or guarding or guard or guarded)) and 705/$.ccls.	USPAT; US-PGPUB	2003/04/16 09:17
-	777724	link or linking or linked or index or indexed	USPAT; US-PGPUB	2003/04/16 10:41
-	431	inflation with (link or linking or linked or index or indexed)	USPAT; US-PGPUB	2003/04/16 10:41
-	57	(inflation with (link or linking or linked or index or indexed)) and 705/$.ccls.	USPAT; US-PGPUB	2003/04/16 11:33
-	46	(inflation with (link or linking or linked or index or indexed)) and ((705/35,36,38).CCLS.)	USPAT; US-PGPUB	2003/04/16 11:26
-	11	((inflation with (link or linking or linked or index or indexed)) and 705/$.ccls.) not ((inflation with (link or linking or linked or index or indexed)) and ((705/35,36,38).CCLS.))	USPAT; US-PGPUB	2003/04/16 11:26
-	232771	risk	USPAT; US-PGPUB	2003/04/16 11:33
-	500	inflation with risk	USPAT; US-PGPUB	2003/04/16 11:33
-	116	inflation near3 risk	USPAT; US-PGPUB	2003/04/16 11:34
-	25	(inflation near3 risk) and 705/$.ccls.	USPAT; US-PGPUB	2003/04/16 12:07
-	538	real adj4 interest	USPAT; US-PGPUB	2003/04/16 12:09
-	371	real adj3 interest	USPAT; US-PGPUB	2003/04/16 12:10
-	138	real adj3 (currency or currencies)	USPAT; US-PGPUB	2003/04/16 12:11
-	89	(real adj3 interest) and 705/$.ccls.	USPAT; US-PGPUB	2003/04/16 12:11
-	37	(real adj3 interest) and ((705/35,36,38).CCLS.)	USPAT; US-PGPUB	2003/04/16 16:03
-	105	(real adj3 (currency or currencies)) and 705/$.ccls.	USPAT; US-PGPUB	2003/04/16 12:11
-	9	(real adj3 (currency or currencies)) and ((705/35,36,38).CCLS.)	USPAT; US-PGPUB	2003/04/16 12:11
-	37	(real adj3 interest) and ((705/35,36,38).CCLS.)	USPAT; US-PGPUB	2003/04/16 16:03

HARINAFT Applied - 1st Action

US-PAT-NO: 6112188

DOCUMENT-IDENTIFIER: US 6112188 A

TITLE: Privatization marketplace

---------- KWIC ---------

In reaction, the 1991 Soviet budget trebled the payroll tax from 12% to 37%, in order to finance pension reform and a substantial increase of over 35% in nominal welfare expenditures. To cope with **inflation,** presidential guidelines **indexed** wages at from 70% to 50% (declining by income level), and **indexed** pensions at 100% with tightened eligibility, while providing a minimum consumer basket. The Soviet Employment Law provided for unemployment benefits, job training and public works. Ukrain proposed unemployment benefits of 70% of the last wage for 3 months after price liberalization, 50% for the next 6 months, falling then to 40%, but no less than the minimum wage nor more than the average wage.

(Exchange 0.1 SMU of the "social security" portfolio at prevailing prices for **indexed** debt in government LEVR, attempting to obtain the highest yield within the maturity interval 2000 to 2010, but no less than 2.5% above **inflation**. Exchange another 0.1 SMU for a lifetime annuity starting at age 60 without right of survivorship, payable monthly by FNBR, if the implicit interest rate is at least 5%.)

The **indexed** debt instrument DIXXXX is exactly analogous in all respects to the un-**indexed** debt instrument DXXXX, with the exception that interest rates

are expressed in "real" terms (i.e., after **inflation** as estimated by an **index** specified by statute or decree), and the outstanding balance is periodically readjusted for **inflation**.

If a financial institution accepts **indexed** deposits, account holders have an **inflation** hedge. If the financial institution in turn lends those funds to enterprises as **indexed** debt with an interest rate markup, it is also hedged against **inflation**. The enterprises would then presumably conduct their operations in a way to cope with prevailing inflation.

The annuity can be considered to be **indexed to the inflation** rate (see discussion under asset DIXXXX), or an additional instrument PAYOUTI can be created to serve that purpose. If the annuity is **indexed,** then the implicit rate is the "real" return (with **inflation** factored out). In this case, the financial institutions make available payment streams which vary with future inflation.

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US-PAT-NO: 6052673

DOCUMENT-IDENTIFIER: US 6052673 A

TITLE: Investment management

---------- KWIC ---------

Inflation-indexed loan instruments have advantages in that **inflation risk** to the lender is minimized. For example, with SFPM's during periods of inflation, the borrower realizes a windfall in terms of actual dollars where the loan rate is based on a low level of anticipated inflation. Conversely, the lender has suffered a loss in terms of real dollars. Inflation indexed loans serve to solve this problem. However, the borrower under such instruments still faces much uncertainty: when inflation spirals, so do the loan payments. If inflation operates similarly on the mortgaged or secured property, there is no loss in terms of real dollars. However, if the value of the property securing the loan does not inflate at the same rate as the loan balance, there is potentially an inflation loss.

inflation rates do tend to lower interest rates but not quite one for one, as sceptical lenders demand **inflation risk** premiums against the possibility of renewed future inflation.

It is also possible to exactly match the inflation-adjusting deposit with an inflation-adjusting loan of equal maturity which would totally reduce the financial **risk from variable inflation** rates and yield curve inversions. In this case, the intermediary would be servicing long-term loans, most likely to

finance real estate or other durable plant and equipment. With similar
maturities of both the loan and deposit accounts, the intermediary can earn a
constant spread over its cost of money with matching deposit and loan
contracts. This would fully hedge the real interest rate risk. These loans
would also generate substantial front end fees for the intermediary.

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cited in FA

US-PAT-NO: 6321212

DOCUMENT-IDENTIFIER: US 6321212 B1
See image for Certificate of Correction

TITLE: Financial products having a demand-based, adjustable return, and trading exchange therefor

---------- KWIC ---------

(9) Incomplete Markets: Traditional capital and insurance markets are often viewed as incomplete in the sense that the span of contingent claims is limited, i.e., the markets may not provide opportunities to hedge all of the risks for which hedging opportunities are sought. As a consequence, participants typically either bear risk inefficiently or use less than optimal means to transfer or hedge against risk. For example, the demand by some investors to hedge **inflation** risk has resulted in the issuance by some governments of **inflation-linked** bonds which have coupons and principal amounts **linked** to Consumer Price **Index** (CPI) levels. This provides a degree of insurance against inflation risk. However, holders of such bonds frequently make assumptions as to the future relationship between real and nominal interest rates. An imperfect correlation between the contingent claim (in this case, **inflation-linked** bond) and the contingent event (**inflation**) gives rise to what traders call "basis risk," which is risk that, in today's markets, cannot be perfectly insured or hedged.

The states corresponding to the range of possible event outcomes are referred to as the "distribution" or "distribution of

states." Each DBAR
contingent claim group is typically associated with one distribution of states.
The distribution will typically be defined for events of economic interest for
investment by traders having the expectation of a return or a reduction of risk
("hedging"). For example, the distribution can be based upon the values of
stocks, bonds, futures, and foreign exchange rates. It can also be based upon
the values of commodity **indices**, economic statistics (e.g., consumer price
inflation monthly reports), property-casualty losses, weather patterns for a
certain geographical region, and any other measurable or observable occurrence
or any other event in which traders would not be economically indifferent even
in the absence of a trade on the outcome of the event.

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IDS

US-PAT-NO: 4742457

DOCUMENT-IDENTIFIER: US 4742457 A
See image for Certificate of Correction

TITLE: System and method of investment management including
means to adjust deposit and loan accounts for inflation

---------- KWIC ---------

Inflation-indexed loan instruments have advantages in that **inflation risk** to the lender is minimized. For example, with SFPM's during periods of inflation, the borrower realizes a windfall in terms of actual dollars where the loan rate is based on a low level of anticipated inflation. Conversely, the lender has suffered a loss in terms of real dollars. Inflation indexed loans serve to solve this problem. However, the borrower under such instruments still faces much uncertainty: when inflation spirals, so do the loan payments. If inflation operates similarly on the mortgaged or secured property, there is no loss in terms of real dollars. However, if the value of the property securing the loan does not inflate at the same rate as the loan balance, there is potentially an inflation loss.

The more significant risk to the commercial intermediary is from a reduction of inflation and interest rates. This, however, presents no special difficulties because the inflation interest is scaled down to the actual inflation rate. From the lending side lower inflation rates do tend to lower interest rates but not quite one for one, as sceptical lenders demand **inflation**

risk premiums against the possibility of renewed future inflation.

It is also possible to exactly match the inflation-adjusting deposit with an inflation-adjusting loan of equal maturity which would totally reduce the financial **risk from variable inflation** rates and yield curve inversions. In this case, the intermediary would be servicing long-term loans, most likely to finance real estate or other durable plant and equipment. With similar maturities of both the loan and deposit accounts, the intermediary can earn a constant spread over its cost of money with matching deposit and loan contracts. This would fully hedge the real interest rate risk. These loans would also generate substantial front end fees for the intermediary.

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705/38

JDS

US-PAT-NO: 5237500

DOCUMENT-IDENTIFIER: US 5237500 A

TITLE: System and process for converting constant dollar financial instruments

---------- KWIC ---------

Currency risk will be reduced for international investors because constant-currency instruments will eliminate the major factor in long-term currency **risk--differential inflation** rates.

RealValue.TM. financing reduces the **inflation risk** faced by final users of funds because it reduces the variation in their expected "Real" after-tax returns caused by variations in inflation (see Spreadsheets 1, 2 and 3)--this lower "Real" risk is the result of the fixed "Real" rate of interest.

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